

AMENDED IN SENATE SEPTEMBER 2, 2005

AMENDED IN ASSEMBLY APRIL 14, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

## ASSEMBLY BILL

No. 677

**Introduced by Assembly Member Parra  
(Coauthor: Assembly Member Spitzer)**

February 17, 2005

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An act to ~~amend Sections 667.1, 1170.125, and 1192.7 of the Penal Code, relating to sentencing~~, add Section 454.55 to the Public Utilities Code, relating to public utilities.

### LEGISLATIVE COUNSEL'S DIGEST

AB 677, as amended, Parra. ~~Sentencing: three strikes; solicitation of murder.~~ *Procurement plans: waste gas.*

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Public Utilities Act requires the commission to review and adopt a procurement plan for each electrical corporation in accordance with specified elements, incentive mechanisms, and objectives.

This bill would require a procurement plan to include a prescribed component for the procurement of electricity generated using waste gas, as defined. The bill would make legislative findings and declarations. By establishing a new component for electrical corporation procurement plans, the violation of which would be a crime under existing law, this bill would change the definition of a crime, thereby imposing a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

*Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~Existing law defines certain listed felonies as “serious” for, among other purposes, enhancing the punishment for felonies pursuant to existing sentencing provisions commonly known as the “Three Strikes” law. Existing law, amended by initiative Proposition 21, which allows the Legislature to amend its provisions by a 2/3 vote, fixed the list of serious felonies for purposes of the Three Strikes law as of the date the initiative was adopted by the voters, March 7, 2000.~~

~~This bill would add solicitation of murder to the list of serious felonies, for purposes of amending that list and for purposes of the Three Strikes provisions. The bill would amend the date fixing the date of the list for purposes of Three Strikes by providing that the references to the list are as it existed on the effective date of this bill.~~

~~By expanding the scope of a sentencing enhancement, this bill would impose a state-mandated local program.~~

~~By amending the provisions of an initiative statute, this bill would require a 2/3 vote of the Legislature.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote:  $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. The Legislature finds and declares all of the
- 2     following:
- 3     (a) The in-state production of petroleum products provides
- 4     economic benefits to the state and to the economy by reducing
- 5     dependence on foreign oil and by creating jobs and tax revenues.
- 6     (b) Natural gas that is produced as a byproduct of in-state
- 7     petroleum production operations that is not eligible for delivery
- 8     into the utility pipeline system is being flared into the atmosphere

1 or reinjected into the ground, both significant sources of air  
2 pollution.

3 (c) Flaring and reinjecting this gas wastes a low-cost  
4 clean-burning fuel that, like gas produced at landfills, can be  
5 used to generate electricity.

6 (d) An alternative to flaring or reinjecting natural gas that is  
7 generated as a byproduct of in-state petroleum production  
8 operations is using it to generate electricity, like gas produced at  
9 landfills. Utilization of this natural gas as a low-cost fuel to  
10 generate electricity will reduce air pollution and produce  
11 low-cost electricity for California consumers, providing both  
12 economic and environmental benefits to the state.

13 (e) It is in the public interest to utilize this natural gas to  
14 generate electricity because to do so reduces air pollution,  
15 provides a low-cost source of electricity and contributes to  
16 domestic energy security and economic growth in this state.

17 SEC. 2. Section 454.55 is added to the Public Utilities Code,  
18 to read:

19 454.55. (a) A procurement plan developed by an electrical  
20 corporation pursuant to subdivision (b) of Section 454.5 shall  
21 include a component for the procurement of electricity generated  
22 using waste gas.

23 (b) The electricity generated by a project that operates solely  
24 on waste gas shall be eligible to participate in any procurement  
25 conducted pursuant to Section 454.5, without regard to the size  
26 of the project.

27 (c) The electricity generated by a project that operates solely  
28 on waste gas shall be procured by an electrical corporation  
29 pursuant to its procurement plan in the same order of priority as  
30 renewable resources, if all of the following requirements are  
31 met:

32 (1) The State Energy Resources Conservation and  
33 Development Commission certifies that the project operates  
34 solely on natural gas that is produced as a byproduct of in-state  
35 petroleum production operations that is not eligible for delivery  
36 into the utility pipeline system because of quality or location, and  
37 that would otherwise be flared into the atmosphere or reinjected  
38 into the ground.

39 (2) The air quality management district or air pollution  
40 control district, in issuing a permit to operate the project,

1 *determines that the operation of the project will produce an*  
2 *onsite net air emissions benefit, compared to permitted onsite*  
3 *emissions if the project does not operate, consistent with the*  
4 *district's treatment of permits to generate electricity using*  
5 *landfill gas.*

6 *(3) A contract entered into for electric generation using waste*  
7 *gas described in this section is set at or below the market price*  
8 *established by the commission pursuant to Section 399.15 under*  
9 *the Renewables Portfolio Standard Program.*

10 *(d) The commission, the Independent System Operator, and an*  
11 *electrical corporation, in carrying out their respective duties,*  
12 *shall take into consideration the small scale of the distributed*  
13 *generation projects that operate solely on waste gas, and shall*  
14 *not impose a requirement that such a project produce a minimum*  
15 *amount of electricity in order to be scheduled into the*  
16 *transmission grid, and shall permit aggregation of projects.*

17 *(e) As used in this section, "waste gas" means natural gas that*  
18 *meets all of the following criteria:*

19 *(1) It is produced as a byproduct of in-state petroleum*  
20 *production operations.*

21 *(2) It is not eligible for delivery to the utility pipeline system.*

22 *(3) It would otherwise be flared into the atmosphere or*  
23 *reinjecting into the ground.*

24 *SEC. 3. No reimbursement is required by this act pursuant to*  
25 *Section 6 of Article XIII B of the California Constitution because*  
26 *the only costs that may be incurred by a local agency or school*  
27 *district will be incurred because this act creates a new crime or*  
28 *infraction, eliminates a crime or infraction, or changes the*  
29 *penalty for a crime or infraction, within the meaning of Section*  
30 *17556 of the Government Code, or changes the definition of a*  
31 *crime within the meaning of Section 6 of Article XIII B of the*  
32 *California Constitution.*

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**All matter omitted in this version of the bill  
appears in the bill as introduced/amended  
in Assembly, April 14, 2005 (JR11)**

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